

## Fifteenth Amendment to the Iowa Medicaid Enterprise Core MMIS Contract

This Fifteenth Amendment to Contract Number MED-04-015-A is effective as of March 1, 2016, between the Iowa Department of Human Services (“Agency” or “Department”) and Noridian Healthcare Solutions, LLC (Contractor).

### Section 1: Background

The parties are amending the Contract to account for a change in scope of Contractor services as a result of Medicaid modernization, with an expected “go live” date of March 1, 2016 for implementation of modernization efforts. This amendment accommodates a change in scope of Contractor services beginning the month of “go live,” and therefore expected in March 2016, and running through the end of the Contract.

**Section 1: Amendment to Contract Language.** The Contract is amended as follows:

**Revision 1:** Section 4 of the Contract is hereby amended by adding a new section: Section 4.2 “Shadow Claims Processing”. This section, as well as subsections thereunder, are as follows:

### 4.2 Shadow Claims Processing

The Contractor shall collect, edit, store, and provide access to shadow claims. Contractor shall provide processing for shadow claims, including but not limited to:

- a. Performing edits level 1-4, as follows:
  - i. **Type 1: EDI syntax integrity testing** – Testing of the EDI file for valid segments, segment order, element attributes, testing for numeric values in numeric data elements, validation of X12 or NCPDP syntax, and compliance with X12 and NCPDP rules. This will validate the basic syntactical integrity of the EDI submission.
  - ii. **Type 2: HIPAA syntactical requirement validation** – Testing for HIPAA Implementation Guide-specific syntax requirements, such as limits on repeat counts, used and not used qualifiers, codes, elements and segments. Also included in this type is testing for HIPAA required or intra-segment situational data elements, testing for non-medical code sets as laid out in the Implementation Guide, and values and codes noted in the Implementation Guide via an X12 code list or table.
  - iii. **Type 3: Balancing** – Testing the transaction for balanced field totals, financial balancing of claims or remittance advice, and balancing of summary fields, if appropriate. An example of this includes items such as all claim line item amounts equal the total claim amount. (See pages 19-22, Healthcare Claim Payment/Advice – 835 Implementation Guide for balancing requirements of the 835 transaction.)
  - iv. **Type 4: Situation Rules** – The testing of specific inter-segment situations described in the HIPAA Implementation Guides, such that: If A occurs then B must be populated. This is considered to include the validation of situational fields given values or situations present elsewhere in the file. Example: if the claim is for an accident, the accident date must be present.
- b. Working with the IME to determine how best to store these claims.

**Revision 2:** Section 4 of the Contract is hereby amended by adding optional Sections 4.3 “Enhanced Encounter Data Processing”, 4.4 “Enhanced Support for MARS and T-MSIS Reporting”, and 4.5 “Encounter Data Analytics.” The Department reserves the right to request the Contractor perform these services through the Change Service Request process, in accordance with Section 9.0 of the Contract. Contractor will begin ramping up to perform the Optional Services described below in Sections 4.3, 4.4, and 4.5, upon receipt of such written authorization and further extension of the Contract to include the time within which such optional services are to be performed.

#### **4.3 Enhanced Encounter Data Processing (Optional)**

The Contractor shall obtain, cleanse, analyze, and validate encounter data. Contractor shall process encounter data, including but not limited to:

- a. Defining and documenting encounter requirements.
- b. Developing encounter data manuals and other supporting documentation.
- c. Reviewing documentation with plans.
- d. Adding new MMIS edits for encounter data.
- e. Reviewing and validating test encounter submissions from plans.
- f. Supporting corrections submitted by plans.
- g. Retesting corrected files from plans.
- h. Developing encounter data reporting.
- i. On-going data quality testing
- j. Error resolution
- k. On-going reporting

#### **4.4 Enhanced Support for MARS and T-MSIS Reporting (Optional)**

The Contractor shall continue to modify and revalidate the existing MAR and existing T-MSIS / MSIS reporting process to ensure data accuracy and compliance with CMS expectations as outlined in the current Scope of Work. Additionally, upon approval from the State, Contractor shall provide enhanced support for MARS and T-MSIS Reporting, including, but not limited to:

- a) Reviewing/documenting current state MARS and T-MSIS reporting
- b) Defining/documenting future state MARS and T-MSIS reporting
  - CMS 37 (quarterly budget)
  - CMS 64 (actual quarterly expenditures)
  - CMS 372 (Waiver)
  - CMS 416 (EPSDT)
- c) Identifying scope of changes needed
- d) Coding changes to reports
- e) Testing/validating changes to reports
- f) Submitting to CMS for approval
- g) Promoting reports to production
- h) Ensuring data accuracy and compliance with CMS expectations
- i) On-going support for MAR solution
- j) On-going report validation
- k) Working with CMS on questions/issues that surface

- l) On-going MAR / T-MSIS Support
- m) Error resolution

#### **4.5 Encounter Data Analytics (Optional)**

The Contractor shall provide encounter data analytics to support the IME, including but not limited to:

- a. Comparative MCO reporting.
- b. Reporting from encounter data to support HEDIS and other quality measurement.
- c. Analysis of risk between MCOs.
- d. Legislative reporting.
- e. Ad-hoc analysis.
- f. Support of program integrity issues.
- g. Testing/validating data reports and analyses
- h. Developing new aggregations
- i. Operationalizing processes
- j. Running ad-hoc reports as needed

**Revision 3:** Section 5 of the Contract is amended to read as follows:

The term of the Base Contract is July 1, 2004 through June 30, 2010.

The Contract Renewal Option Years will consist of four (4), one-(1) year options. The Department may choose to renew the Contract for one (1) or more of the Contract Renewal Option Years. The Department shall have the sole discretion to exercise each renewal option. The Department shall use best efforts to notify the Contractor of the renewal decision ninety (90) days prior to the effective date.

Beginning July 1, 2014, the Department may extend the Contract for six additional six-month terms.

**Revision 4:** Effective July 1, 2016, Section 6.1 of the Contract is amended to read as follows:

The Change Service Request (CSR) hourly rate is \$85 per hour. Effective July 1, 2016, the CSR rate will be increased to \$95 per hour. This rate is only applicable to work prioritized and approved by the Department if additional systems resources must be provided to perform beyond the daily resources identified in the table of organization submitted by Noridian on June 18, 2004 (Attachment 5), as handling the systems maintenance and enhancements to the MMIS.

**Revision 5:** Section 6.1 of the Contract is further amended by adding the following text immediately below the paragraph beginning, "The rates for SFY 2016 are:" and ending with "7. \$319,572 for additional EDI Software Maintenance." All other text of Section 6.1, excluding changes made in Revision 4, remains unchanged:

Notwithstanding the above, the above payment obligations shall terminate as of March 1, 2016. Beginning March 1, 2016, Contractor may invoice the Department \$539,116.92 per month for Operations in the remaining four months of SFY 2016, for a total of \$2,156,467.68. Beginning in July 2016, IHAWP and SSAE costs will no longer be

included, and Contractor may invoice the Department \$534,497.62 per month for SFY17 Operations, for a total of \$6,413,971.44. SSAE is not required for SFY17. In addition to the above fixed fees, Contractor may invoice the Department a pass through for actual postage costs incurred. In the event all nine contractually required programmers are not fully utilized in support of ongoing operational activities, Contractor will reduce the monthly invoice amount by the unused hours at the then current hourly rate referenced in Revision 4.

Operations pricing does not include Mailroom and Imaging Responsibilities for paper claims and related correspondence, and Claims Processing Responsibilities. Pricing for these services and the Optional Sections 4.3 through 4.5 is as follows:

**Note:** The “Mailroom and Imaging Responsibilities – Transition” Table 1 set forth below outlines adjustments to compensation for mailroom operations based on volume of claims and related correspondence received by Iowa Medicaid. “Monthly Pricing at Sustained Volume Change” comes into effect when volume decreases have remained constant for a period of 30 days. At this point staffing is reduced and a lower price is reflected. Once volume has sustained a 90% decrease for two consecutive months, pricing will move to and permanently remain at the Ongoing Mailroom Operations monthly amount. Contractor shall submit a report detailing the volume of inbound paper claims with the monthly invoice.

Table 1 – Mailroom Pricing

<b>Mailroom and Imaging Responsibilities – Transition</b>			
<b>Current Volumes</b>	<b><i>Inbound Monthly Paper Claims Volume<sup>1</sup></i></b>	<b><i>Total Staff</i></b>	<b><i>Monthly Pricing at Sustained Volume Change</i></b>
Current Volumes	81,610	17	\$115,659
Decrease 10%	73,500	16	\$108,856
Decrease 20%	65,000	14	\$95,249
Decrease 30%	57,000	13	\$88,445
Decrease 40%	49,000	11	\$74,838
Decrease 50%	40,750	9	\$61,231
Decrease 60%	32,500	6	\$40,821
Decrease 70%	24,250	5	\$34,017
Decrease 80%	16,000	4	\$27,214
Decrease 90%	8,000	3	\$20,410
<b>Ongoing Mailroom Operations</b>			
	8,000	3	\$19,406

<sup>1</sup>Pricing for paper claims and related correspondence is separate from other general mailroom correspondence. Tasks for other general mailroom correspondence is included in the fixed operational costs.

**Note:** The “Claims Processing (Adjustments) – Transition” Table 2 set forth below outlines adjustments to compensation for claims adjustments based on volume of adjustments received by Iowa Medicaid. “Monthly Pricing at Sustained Volume Change” comes into effect when volume decreases have remained constant for a period of 30 days. At this point staffing is reduced and a lower price is reflected. Once volume has sustained a 90% decrease for two consecutive months, pricing will move to and permanently remain at the Ongoing Adjustments Operations monthly amount. Contractor shall submit a report detailing the volume of inbound adjustments with the monthly invoice.

Table 2 – Claims Processing (Adjustments) Pricing

<b>Claims Processing (Adjustments) – Transition</b>			
<b>Current Volumes</b>	<b><i>Inbound Monthly Adjustments Volume</i></b>	<b><i>Total Staff</i></b>	<b><i>Monthly Pricing at Sustained Volume Change</i></b>
Current Volumes	24,766	6	\$39,588
Decrease 10%	22,289	6	\$39,588
Decrease 20%	19,813	5	\$32,935
Decrease 30%	17,336	5	\$32,935
Decrease 40%	14,860	4	\$26,282
Decrease 50%	12,383	4	\$26,282
Decrease 60%	9,907	3	\$19,630
Decrease 70%	7,430	3	\$19,630
Decrease 80%	4,954	2	\$12,977
Decrease 90%	2,250	1	\$6,325
<b>Ongoing Adjustments Operations</b>			
	2,250	1	\$6,325

**Note:** The “Claims Processing (Adjudication) – Transition” Table 3 set forth below outlines adjustments to compensation for claims adjudication based on volume of adjudications received by Iowa Medicaid. “Monthly Pricing at Sustained Volume Change” comes into effect when volume decreases have remained constant for a period of 30 days. At this point staffing is reduced and a lower price is reflected. Once volume has sustained a 90% decrease for two consecutive months, pricing will move to and permanently remain at the Ongoing Adjudication Operations monthly amount. Contractor shall submit a report detailing the volume of inbound adjudication with the monthly invoice.

Table 3 – Claims Processing (Adjudication) Pricing

<b>Claims Processing (Adjudication) – Transition</b>			
<b>Current Volumes</b>	<b><i>Inbound Monthly Adjudication Volume</i></b>	<b><i>Total Staff</i></b>	<b><i>Monthly Pricing at Sustained Volume Change</i></b>
Current Volumes	67,592	7	\$59,032
Decrease 10%	60,833	7	\$59,032
Decrease 20%	54,074	6	\$52,379
Decrease 30%	47,315	6	\$52,379
Decrease 40%	40,555	5	\$45,727
Decrease 50%	33,796	5	\$45,727
Decrease 60%	27,037	4	\$39,074
Decrease 70%	20,278	4	\$39,074
Decrease 80%	13,519	3	\$32,421
Decrease 90%	6,760	3	\$32,421
<b>Ongoing Adjudication Operations</b>			
	6,760	3	\$31,401

Table 4 – Shadow Claims Processing and Optional Sections Pricing

<b>Section</b>	<b>SFY 2016 Cost</b>
Shadow Claims Processing	\$0

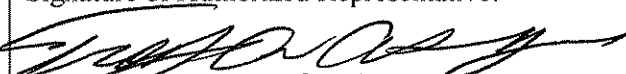
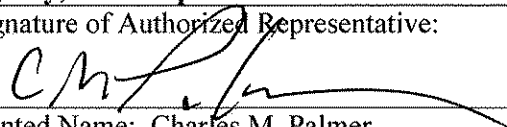
**Note:** Contractor has agreed to provide Shadow Claims Processing at no additional cost.

**Section 2: Ratification & Authorization**

Except as expressly amended and supplemented herein, the Contract shall remain in full force and effect, and the parties hereby ratify and confirm the terms and conditions thereof. Each party to this Amendment represents and warrants to the other that it has the right, power, and authority to enter into and perform its obligations under this Amendment, and it has taken all requisite actions (corporate, statutory, or otherwise) to approve execution, delivery and performance of this Amendment, and that this Amendment constitutes a legal, valid, and binding obligation.

**Section 3: Execution**

**IN WITNESS WHEREOF**, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Amendment and have caused their duly authorized representatives to execute this Amendment.

<b>Contractor, Noridian Healthcare Solutions, LLC</b>	<b>Agency, Iowa Department of Human Services</b>
Signature of Authorized Representative:	Signature of Authorized Representative:
	
Printed Name: <u>TROY A ASUEL</u>	Printed Name: Charles M. Palmer
Title: <u>1-28-16</u>	Title: Director
Date: <u>SVIP</u>	Date: <u>2-9-16</u>